

## **FISCAL NOTE**

### **SB 2586 - HB 2918**

March 5, 1998

**SUMMARY OF BILL:** Creates the Department of Substance Abuse Prevention and Treatment which shall be under the charge and general supervision of the Commissioner of Substance Abuse Prevention and Treatment. The department shall have the responsibility to develop, implement, coordinate, monitor, examine and administer all policies, programs, grants, payments, and contracts through which substance abuse prevention and treatment services are provided by, or funded through, state government for adults and children.

Transfers to and consolidates within the Department of Substance Abuse Prevention and Treatment, all fiscal, property, personnel and other resources, utilized exclusively or primarily by departments of state government to develop, implement, coordinate, monitor, examine and administer policies, programs, grants, payments and contracts through which substance abuse prevention and treatment services are provided by, or funded through, state government for adults and children and to mitigate the effects of substance abuse on family members.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures -           \$182,000 Recurring  
  \$16,000 One-Time**

**Other Fiscal Impact - Transfers \$35,120,000/Dept of Substance Abuse  
  Prevention and Treatment**

Assumes a need for six positions including directors of finance, audit and personnel. Assumes all property, personnel and related resources will be transferred from the Department of Health and the Department of Mental Health and Mental Retardation to the Department of Substance Abuse Prevention and Treatment.

Provisions of this bill that place control for substance abuse services now controlled by TennCare in the new department may violate Federal regulations requiring a single state Medicaid agency and could jeopardize Federal funds of approximately \$5,900,000.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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